

IN SENATE OF THE UNITED STATES.

APRIL 6, 1848.

Submitted, and ordered to be printed.

Mr. PEARCE made the following

REPORT:

[To accompany bill S. No. 194.]

The Committee on Post Offices and Post Roads, to whom was referred the memorial of John Lorimer Graham, formerly postmaster at New York, report:

The memorial states that Mr. Graham, while postmaster at New York, was directed by the Postmaster General (Mr. Wickliffe,) to rent certain property in that city, and cause such alterations and improvements in the same to be made as would fit it for the purposes of a principal and branch post office; that he was directed to make such improvements out of the receipts of his office, and charge the same in his quarterly accounts, and was assured that the payments thus made, upon proper vouchers thereof being produced, would be credited by the department in the usual manner; that under these instructions he executed the duty confided to him promptly, and to the entire satisfaction of the Postmaster General and the citizens of New York; that upon the rendition of his first quarterly accounts, after entering upon these improvements, (September 30, 1844,) the payments which he had made up to that time were properly vouched, and were passed to his credit; that he afterwards completed the proposed improvements, and fitted up the principal branch office aforesaid; that he paid for the same out of the receipts of his office, except the sum of \$2,896 56, which he paid out of his own pocket, the receipts of his office being insufficient for that, and to discharge the whole costs of these improvements; that, upon going out of office in 1845, he rendered a completed account of all his receipts and disbursements, with full vouchers for all the expenditures aforesaid, but that the Auditor of the Post Office refused to allow them, alleging that the Postmaster General had no power, by law, to direct these improvements to be made; that thereupon, the memorialist appealed to the Comptroller of the Treasury Department, according to the form prescribed by

law; that the Comptroller decided that the Postmaster General had authority to execute the leases of the property before mentioned, and to direct the allowance of the expenditures aforesaid, out of the appropriations made by Congress for the miscellaneous expenses of the Post Office Department. The Comptroller decided, also, that the Postmaster General might have directed, and may still direct, correspondent credit to be given to the memorialist, by the Auditor, for said payments, in the adjustment of his accounts.

But the present Postmaster General declines to act in the matter, and the memorialist is therefore compelled to apply to Congress for relief in the premises.

The committee are satisfied of the truth of these statements, and of the propriety of granting the relief prayed.

It appears that, prior to 1844, there had been much complaint of the condition and insecurity of the New York post office, and that the Postmaster General, after a visit to the city in that year, and a personal investigation of the subject, became satisfied that the post office building in the Park was unsuitable and unsafe. He therefore determined to make a change whenever a suitable location could be obtained upon proper terms. In his letter to Mr. Graham, of 5th June, 1844, he instructed that gentleman to make a lease of the Middle Dutch Church, upon the terms proposed by the proprietors of that church, at the rate of \$4,000 annually, for six years, &c.; the alterations to suit the building to the purposes of a post office, to be made at the expense of the department, &c. In August, 1844, the leases were prepared, executed, and approved by Mr. Wickliffe. In December, 1844, another lease, of different premises, of a branch post office was executed and approved by the Postmaster General. The improvements, in both post offices there, were made greatly to the security of the mails, and the convenience of the New York public. These changes seem to have secured accurate and rapid despatch of the public business; to have furnished additional protection against depredations upon the vast amount of property annually passing through this office; to have increased considerably the revenue of the department from the rent of boxes, and to have furnished all desirable facilities to every one having business with the office.

Their expense considerably exceeded the estimate made at the time when they were determined upon.

Many of the repairs, which, subsequently, proved to be necessary, were not included in the estimate, because they were not then foreseen. But Mr. Graham does not appear to be chargeable with this. An experienced builder was employed as architect and superintendent, and the bills for materials and work were paid only on the approval of this superintendent, and another experienced and respectable mechanic. The branch post office had been a common paint shop, and required an entire alteration. It was necessary that every thing in the interior should be new; such as iron shutters, gas fixtures, sashes, window boxes, office furniture, sheet iron cases, &c., while the principal office required still more extensive and costly improvements. The building was a church 75 feet by

100, of which only the bare walls could be used. Every thing else was necessarily new, and the tinning of the roof was expressly ordered by the Postmaster General, while the general arrangements were committed to the discretion of the postmaster at New York. The whole expense of all their repairs and improvements in both offices, including rent paid by Mr. Graham, was \$52,166 46, an outlay which might render the prudence of the new leases and arrangements questionable, but which does not seem to the committee to affect the right of Mr. Graham to be allowed the expenditures made by him for the government, by order of the Postmaster General. It may be remarked, however, that the outlay in the branch office for repairs and furniture was about \$3,000, and the rent paid by Mr. Graham \$3,750.

Deducting the sum of these items, \$6,750, from the whole amount of \$52,166 46, we have the sum of \$45,412 46, as the cost of all the repairs and improvements on the church.

Of this amount, the sum of \$7,037 89 was chiefly for an iron railing, which, by the terms of the lease, was to be erected at the expense of the government, for the protection of the graves and church yard. The masonry cost \$7,786 52; lumber \$3,664 32; carpentry \$9,023 49; plumbing and tinning, including the metal roof, specially ordered by the Postmaster General, \$3,034 93; gas light fixtures, indispensable for lighting the building, \$1,707 08; glazing \$1,870 02; painting and gilding \$7,566 24, &c.

These expenditures, though large, seem to have been necessary to convert the old church into a post office, such as was proper in the city of 400,000 inhabitants; accommodating the correspondence of all that population, and distributing an immense amount of mail matter to all parts of the country, and yielding, to the department at that time, a nett revenue of more than \$300,000.

At the close of the quarter, ending December 31, 1844, Mr. Graham rendered accounts showing the expenditure, during that quarter, of \$16,881 03, part of the above mentioned total.

When the accounts were submitted to the Postmaster General he endorsed them as follows: "The expenditures for this improvement are greater than were anticipated by me when I directed the improvement. Yet so essential was the work, and so satisfactory to the community, that I am constrained to allow them."

The Auditor, however, refused to allow these and the subsequent charges, although fully vouched, on the ground that the Postmaster General had no legal authority to direct such improvements. The Comptroller thought otherwise. The appropriation for miscellaneous expenses of the Post Office Department for that year was large enough to cover all the accounts, a part of which, indeed, were property chargeable to the head of office furniture, for which there was a special appropriation. But the Auditor thought that the term "miscellaneous expenses could not be intended as a mere contingent and indefinite appropriation, or be applied to so material and prominent an object of expenditure. The Postmaster General and the Comptroller evidently considered the appropriation as a

mere contingent fund, and fully under his own proper discretion as to its objects and application.

The committee incline so to think, but do not deem it necessary to discuss this point.

The leases were executed by the head of the department. The improvements and repairs, made by virtue of his instructions, which we do not doubt, were intended solely for the benefit of the department, and the advantage of the public. The expenditures were made by Mr. Graham, in pursuance of these instructions, within the discretion allowed him, upon consultation with the architect, whom he was authorized to employ, in good faith, with a single eye to the convenience of the office and the accommodation of the community. The government and the public have had all the benefit of these improvements, and it does not, in the opinion of the committee, become the United States to decline paying for them, even though the technical objection taken by the Auditor of the Post Office should be strictly right.

They therefore report a bill.